

OPEN MEETING AGENDA ITEM



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BEFORE THE ARIZONA CORPORATION COMMISSION

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IN THE MATTER OF ARIZONA PUBLIC
SERVICE COMPANY REQUEST FOR
APPROVAL OF UPDATED GREEN POWER
RATE SCHEDULE GPS-1, GPS-2, AND
GPS-3.

Docket No. E-01345A-10-0394

IN THE MATTER OF THE APPLICATION OF
ARIZONA PUBLIC SERVICE COMPANY
FOR APPROVAL OF ITS 2013 RENEWABLE
ENERGY STANDARD IMPLEMENTATION
FOR RESET OF RENEWABLE ENERGY
ADJUSTOR.

Docket No. E-01345A-12-0290

IN THE MATTER OF THE APPLICATION OF
TUCSON ELECTRIC POWER COMPANY
FOR APPROVAL OF ITS 2013 RENEWABLE
ENERGY STANDARD IMPLEMENTATION
PLAN AND DISTRIBUTED ENERGY
ADMINISTRATIVE PLAN AND REQUEST
FOR RESET OF ITS RENEWABLE ENERGY
ADJUSTOR.

Docket No. E-01933A-12-0296

IN THE MATTER OF THE APPLICATION OF
UNS ELECTRIC, INC. FOR APPROVAL OF
ITS 2013 RENEWABLE ENERGY
STANDARD IMPLEMENTATION PLAN AND
DISTRIBUTED ENERGY ADMINISTRATIVE
PLAN AND REQUEST FOR RESET OF ITS
RENEWABLE ENERGY ADJUSTOR.

Docket No. E-04204A-12-0297

RUCO's EXCEPTIONS TO THE RECOMMENDED OPINION AND ORDER

1 RUCO generally supports the Recommended Opinion and Order ("ROO") of the
2 Administrative Law Judge (ALJ) in this matter. The recommended policy, if implemented
3 correctly, maintains customer property rights while finding a cost conscious solution for
4 ratepayers. The proposed resolution is similar to what RUCO had recommended with the
5 exception that it leaves out details around how the conditions for granting the waiver are
6 established. Therefore, RUCO strongly urges the addition of some clarifying language to help
7 ensure a concrete framework for waiver justification and minimize time spent debating the
8 matter in other forums.

9 To begin, it is unclear from the ROO whether the envisioned waiver of the DG carve-out
10 also results in a permanent reduction to the Renewable Energy Standard. This point needs to
11 be explicitly addressed to avoid uncertainty down the road. Assuming, however, that the ROO
12 does in fact result in a permanent reduction to the RES requirement, it is of utmost importance
13 to ensure conditions for the waiver justify the action because the waiver envisioned in the ROO
14 cannot be reversed. Secondly, it is important to have a consistent policy statewide that does
15 not vary by utility. Therefore, RUCO recommends that the Commission offer guidance to the
16 utilities by modifying the ROO:

17 Paragraph 5 of the Conclusions of Law in the ROO states in relevant part:

18 "...to request, in their next REST Implementation Plan Filing,
19 pursuant to A.A.C. R14-2-1816, a full permanent waiver from
20 the requirements of A.A.C. R14-2-1805 for the period of one
21 year, which annual requirement shall not be rolled into the
22 subsequent year, and **to include in the request a list of
23 proposed criteria to aid the Commission in a determination
24 of whether the requested waiver is in the public interest**
[Emphasis added]."¹

1 The Commission could add the following additional and clarifying language to the ROO:

2 *"The waiver shall be applied to a one year period for which a*
3 *full set of data (or near full set) has been collected. Going*
4 *forward, data from multiple years can be combined and used to*
5 *request a waiver for one specific year."*

6 For example, a utility could propose a waiver for 2014 in 2015 after all non-incentive systems
7 have been accounted for and totaled. Additionally, if 2014 proved to have a weak install rate
8 but 2015 was stronger, the Commission could take into consideration the combined market
9 activity of the two years in order to justify a full year 2014 waiver.

10 Further, in order to ensure renewable energy credit (REC) integrity and minimize
11 uncertainty around each yearly implementation plan, RUCO strongly recommends focusing on
12 capacity rather than kWhs as a metric. Accordingly, RUCO would recommend the following
13 language be added to the ROO:


14 *"The central criteria for market measurement shall be the*
15 *amount of nameplate capacity installed. This shall be compared*
16 *to the requested year's incremental REST requirement as well*
17 *as the amount of nameplate capacity installed in past years."*

18 This metric would provide the Commission with key information on market conditions and
19 compliance. Focusing in on capacity also minimizes confusion that the kWh metric brings
20 regarding systems that get installed late in the year and thus have a lower contribution of
21 kWhs.

22 RUCO's suggestions are not meant to be exhaustive, but to provide the Commission
23 with language that would allow for a better understanding of the Commission's expectations
24 when utilities are considering a waiver. With the objective to maintain REC integrity without
burdening ratepayers, the recommended language attempts to provide some direction to meet
this end.

1 Attached as Exhibit 1 is RUCO's proposed amendment.

2 RESPECTFULLY SUBMITTED this 8th day of January, 2014.

3
4 

5 Daniel W. Pozefsky
6 Chief Counsel

7 AN ORIGINAL AND THIRTEEN COPIES
8 of the foregoing filed this 8th day of January
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Proposed Amendment #1

The purpose of this proposed amendment is to provide guidance and expectations around a waiver request to the DG carve-out.

Page 53, Lines 2:

After "interest." INSERT:

"The central criteria for market measurement shall be the amount of nameplate capacity installed. This shall be compared to the requested year's incremental REST requirement as well as the amount of nameplate capacity installed in past years."

Page 53, Lines 8:

INSERT:

"IT IS FURTHER ORDERED that the waiver shall be applied to a one year period for which a full set of data (or near full set) has been collected. Going forward, data from multiple years can be combined and used to request a waiver for one specific year."

MAKE CONFORMING CHANGES